

Message Text

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62

ORIGIN AGR-20

INFO OCT-01 EUR-25 ISO-00 SPC-03 AID-20 EB-11 NSC-10

RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01 CEA-02

CIAE-00 COME-00 FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12

LAB-06 SIL-01 L-03 /165 R

66615

DRAFTED BY AGRIC:EMS:CC AND B:WGTUSSEY:RW

APPROVED BY EB/ORF/OFPP/FPD:MPBOERNER

FAWOODLING, EMS

GERATHELL, EMS (CLEARED IN DRAFT)

TOENGBRETSON, FAS/AA

LCMEADE, EMS

EESEGALL, EUR:EE/STATE DEPT.

EB/ORF/OFPP/FPD:RSSIMPSON

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P 122046Z OCT 73

FM SECSTATE WASHDC

TO AMEMBASSY BUCHAREST PRIORITY

C O N F I D E N T I A L STATE 203001

E.O. 11652:GDS

TAGS: EAGR, RO

SUBJECT: ROMANIAN REQUEST FOR EXTENSION OF CCC CREDITS

REF: BUCHAREST 3579

1. THE EXPIRED ROMANIAN LINE OF CREDIT FOR DOLS 61 MILLION CARRIED AN AUTHORIZED EXPORT PERIOD OF JULY 1, 1972, THROUGH JUNE 30, 1973. AT THE TIME OF EXPIRATION ON JUNE 30, DOLS 44.5 MILLION REMAINED UNUSED IN THE LINE OF CREDIT. SINCE EXPIRATION, ROMANIA REQUESTED USDA TO REINSTATE UNUSED CREDITS. THE COTTON PURCHASES MENTIONED REFTEL WERE MADE SINCE JUNE 30.

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2. BECAUSE OF AN EXTREMELY TIGHT COTTON SUPPLY SITUATION,

NO LINES OF CREDIT HAVE BEEN ESTABLISHED SINCE MARCH 23, 1973, WHICH INCLUDED FINANCING FOR COTTON. U.S. COTTON HAS ESCALATED IN PRICE TO TRIPLE ITS VALUE ONE YEAR AGO. CURRENT PRICES ARE AT RECORD LEVELS OF AROUND 90 CENTS PER POUND. FYI AMERICAN TEXTILE MANUFACTURERS, THROUGH THEIR ORGANIZATION THE AMERICAN TEXTILE MANUFACTURERS INSTITUTE (ATMI), ARE BRINGING TO BEAR SEVERE PRESSURE ON U.S. GOVERNMENT TO INSTITUTE EXPORT CONTROLS ON U.S. COTTON IN ORDER TO PROTECT DOMESTIC REQUIREMENTS. END FYI.

3. UNDER THESE CONDITIONS, IT WOULD BE EXTREMELY DIFFICULT FOR U.S. GOVERNMENT TO OFFER AN EXPORT STIMULUS FOR COTTON IN FORM OF CCC CREDITS.

4. U.S. GOVERNMENT HAS REQUESTS FROM 10 DIFFERENT COUNTRIES FOR CREDITS FOR U.S. FARM COMMODITIES, INCLUDING COTTON. INCLUDED AMONG THOSE REQUESTING COTTON ARE KOREA AND THE PHILIPPINES. ALL REQUESTS ARE BEING HELD IN ABEYANCE BECAUSE OF THE EXTREMELY TIGHT COMMODITY SUPPLY SITUATION.

5. ALTHOUGH ROMANIA AS A GROWING MARKET FOR U.S. COTTON AND OTHER COMMODITIES IS APPRECIATED, USG REGRETFULLY IS NOT IN A POSITION AT THIS TIME TO RE-INSTITUTE THOSE CREDITS WHICH EXPIRED JUNE 30, 1973.
KISSINGER

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Message Attributes

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Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 12 OCT 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: EMS:CC AND B:WGTUSSEY:RW
Enclosure: n/a
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Original Previous Handling Restrictions: n/a
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Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

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Review Withdrawn Fields: n/a
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To: BUCHAREST
Type: TE
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